

S te of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

01/09/2006

U S ENERGY CORP 877 N 800 W RIVERTON WY 82501

Re: Request for Annual Report for the Year 2005.

Dear Operators:

This letter is to remind you that annual reports are required by Rules R647-3-116 and R647-4-121 of the Division's Minerals Reclamation Program. The report forms (MR-AR) can be found on the Divisions web page www.ogm.utah.gov/minerals/mineralforms.htm. If you would like a form sent to you, please contact the division of Oil, Gas and Mining at 801-538-5291.

The reports for the referenced Mine(s) need to be completed and returned to this office by January 31, 2006.

	Mine Status	Mine Numb	er Mine Name	Contact Person	
	RECLAIME	M170001	TONY M/LUCKY STRIKE	FRED CRAFT	
6	INACTIVE	M370040	VELVET	FRED CRAFT	
	RECLAIME	S170017	FRANK M MINE	FRED CRAFT	

Reports are required regardless of annual mine activity, unless you have received a written waiver or formal release from reclamation obligations from the Division.

Thank you for your cooperation and prompt attention to this matter.

Sincerely,

Susan M. White

Mine Program Coordinator Minerals Reclamation Program

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